Valuation of the PSUs being disinvested is done by professional Advisors who submit valuation reports using internationally reconginsed methodologies to a specially constituted Inter-Ministerial Evaluation Committee. The committee, based on the report of the Advisors, determines the Reserve Price for the equity being disinvested. The actual sale price is determined through a process of competitive bidding and is approved by the Cabinet Committee on Disinvestment on the basis of the recommendations of the Core Group of Secretaries on Disinvestment. The price per share, relative to earnings, realised from Strategic Sale since 1999-2000 has been much higher than in the case of realisation from sale of minority shares during the period 1991-92 to 1999-2000.

The Hon'ble Supreme Court in the Bharat Aluminium Company (BALCO) case has upheld the policy and the procedures for disinvestment. Some issues have arisen in the context of the decision of the Hon'ble Supreme Court in the case of HPCL and BPCL. Various options in this regard are before the Government.

Disinvestment target

1760. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that there is going to be a serious shortfall in the disinvestment target;

(b) if so, the targets fixed for the current year and the achievement made, so far; and

(c) what steps are being taken to compensate the shortfall in the disinvestment target?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) As against a budgeted receipt of Rs. 13,200 crore from disinvestment during 2003-04, the actual receipt till November 2003 is Rs. 1335.4 crore. There are apprehensions about meeting the target in the face of serious constraints arising from the Hon'ble Supreme Court's judgment relating to disinvestment of HPCL and BPCL. However, Government is continuing its efforts to maximise the realisation from disinvestment.